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The Federal Circuit Makes a “Leap in Logic”: The Dangerous Upstream Use of Related Patents’ Prosecution History to Interpret Claims in Already Issued Patents

*Microsoft Corporation v. Multi-Tech Systems, Inc.*¹

I. INTRODUCTION

The United States Constitution gives Congress the power “[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”² Courts emphasize two mechanisms by which patents fulfill their instrumental justification.³ The possibility of obtaining a patent monopoly encourages investment in research to make new inventions, and disclosure of new inventions increases the amount of public knowledge.⁴

An invention is “patentable” if it falls within an eligible subject matter category⁵ and “satisfies the statutory requisites of novelty, nonobviousness, utility, and adequate disclosure.”⁶ That is, an invention must be new, not obvious in light of existing art, useful, and sufficiently described. A patent allows the patentee “to exclude others from making, using, selling, or offering to sell the claimed invention.”⁷ The patent’s claims define the bounds of this

1. 357 F.3d 1340 (Fed. Cir. 2004).

2. U.S. CONST., art. I, § 8, cl. 8.

3. Rebecca S. Eisenberg, *Patents and the Progress of Science: Exclusive Rights and Experimental Use*, 56 U. CHI. L. REV. 1017, 1024 (1989).

4. *Id.* (citing *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 480-81 (1974)).

5. See 35 U.S.C. § 101 (2000). A person who “invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.” *Id.* The Supreme Court has interpreted eligible subject matter broadly, holding that “anything under the sun that is made by man” is patent eligible. *Diamond v. Chakrabarty*, 447 U.S. 303, 309 (1980) (internal quotations omitted).

6. MARTIN J. ADELMAN ET AL., *CASES AND MATERIALS ON PATENT LAW* 57 (2d ed. 2003).

7. *Id.* at 525; see 35 U.S.C. § 271(a) (2000) (“Except as otherwise provided in this title, whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.”), *held unconstitutional* by Fla. Prepaid Postsecondary Educ. Expense Bd. v. Coll. Sav. Bank, 527 U.S. 627 (1999) (as applied to suits for patent infringement against state governments).

right to exclude.⁸ Claim drafting, the initial attempt to define a patentee's rights, has been defined as, "without doubt, the most difficult form of technical writing."⁹ Once a dispute arises, claim interpretation is the most essential step in defining a patentee's rights and determining whether infringement has occurred.¹⁰

Not surprisingly, trial courts struggle with claim construction and the Federal Circuit, the court with exclusive jurisdiction over all patent appeals, changes the trial court's claim construction about 40 percent of the time.¹¹ To construe claims, courts must examine the language of the claims themselves, the rest of the patents' specifications, and, if in evidence, the prosecution history.¹² Courts will often look to the prosecution history of related patents to aid in interpreting claims consistently within a patent family.¹³

The Federal Circuit, in *Microsoft Corp. v. Multi-Tech Systems, Inc.*, used prosecution history from a subsequent related patent application to limit claim language in an earlier patent and settle an important legal battle affecting the rapidly growing internet telephony industry.¹⁴ This Note examines the majority's seemingly logical reasoning but ultimately agrees with the analysis of Judge Rader's dissent.

II. FACTS AND HOLDING

Multi-Tech Systems, Inc., owns a series of patents related to methods for simultaneously transmitting digital voice data and digital computer data.¹⁵ These related patents all derive from the same parent application¹⁶ and share a common specification, or written description.¹⁷ On February 15, 2000, Multi-

8. ADELMAN ET AL., *supra* note 6, at 525.

9. *Id.* at 533.

10. *See id.* at 525.

11. Gretchen Ann Bender, *Uncertainty and Unpredictability in Patent Litigation: The Time Is Ripe for a Consistent Claim Construction Methodology*, 8 J. INTELL. PROP. L. 175, 175 (2001).

12. *Amgen, Inc. v. Hoechst Marion Roussel, Inc.*, 314 F.3d 1313, 1324 (Fed. Cir. 2003) (citing *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582 (Fed. Cir. 1996)).

13. *See, e.g., Laitram Corp. v. Morehouse Indus., Inc.*, 143 F.3d 1456, 1460 n.2 (Fed. Cir. 1998); *Jonsson v. Stanley Works*, 903 F.2d 812, 818 (Fed. Cir. 1990).

14. *See Declan McCullagh, Microsoft Wards off Voice-Data Lawsuit*, CNET NEWS (Feb. 5, 2004), at http://news.com.com/2100-1014_3-5153929.html.

15. *Microsoft Corp. v. Multi-Tech Sys., Inc.*, 357 F.3d 1340, 1342 (Fed. Cir. 2004).

16. *Id.* *See also* U.S. Patent No. 5,452,289 (issued Sept. 19, 1995).

17. *Microsoft*, 357 F.3d at 1342. Related applications which derive from a parent patent share the same specification. *See Microsoft Corp. v. Multi-Tech Sys., Inc.*, Nos. Civ. 00-1412 ADM/RLE, Civ. 00-1627 ADM/RLE, 2002 WL 1949755, at *1 (D. Minn. Aug. 16, 2002) (mem.), *aff'd*, 357 F.3d 1340 (Fed. Cir. 2004).

Tech filed suit against Net2Phone, Inc., in the United States District Court for the District of Minnesota alleging infringement of four of its patents.¹⁸ Four months later, apparently fearing that it might also be infringing on those patents,¹⁹ Microsoft filed suit against Multi-Tech in the same court seeking "a declaratory judgment of noninfringement, invalidity, and unenforceability of seven Multi-Tech patents."²⁰ Multi-Tech answered with a counterclaim alleging infringement of five of its patents.²¹ The interpretation of claims from these five patents, United States Patent No. 5,452,289 ("the '289 Patent"), United States Patent No. 5,471,470 ("the '470 Patent"), United States Patent No. 5,600,649 ("the '649 Patent"), United States Patent No. 5,764,627 ("the '627 Patent"), and United States Patent No. 5,790,532 ("the '532 Patent"), was at issue during the district court's *Markman* Hearing.²²

The district court issued a single *Markman* order construing the disputed claims for the two cases.²³ Primarily, the court concluded that Mutli-Tech's claimed inventions were limited to simultaneous voice-data transmission over a direct point-to-point telephone connection and thus did not include transmission over a packet-switched network, such as the Internet.²⁴ The district court, relying on statements made by Multi-Tech to the examiner during prosecution of the '627 patent, concluded that Multi-Tech had excluded transmission through a packet-switched network, such as the Internet.²⁵ The district court also construed other terms in the claims of the patents at issue, but these constructions were not ultimately relevant to the Federal Circuit's decision.²⁶

18. *Microsoft*, 357 F.3d at 1344 (alleging infringement of U.S. Patent Nos. 5,452,289, 5,600,649, and 5,764,627, as well as U.S. Patent No. 5,471,470).

19. McCullagh, *supra* note 14.

20. *Microsoft*, 357 F.3d at 1344.

21. *Id.* ("alleging that Microsoft infringed the '289, '470, '649, '627, and '532 patents").

22. *Id.* *Markman* hearings are conducted by the district court to perform claim construction as a matter of law, the first step in an infringement analysis.

23. *Microsoft*, 357 F.3d at 1344 (citing *Microsoft Corp. v. Multi-Tech Sys., Inc.*, Nos. Civ. 00-1412 ADM/RLE, Civ. 00-1627 ADM/RLE, 2002 WL 1949755 (D. Minn. Aug. 16, 2002) (mem.)).

24. *Id.* at 1344-45. "A 'circuit-switched network,' such as the Public Switched Telephone Network, is one in which a connection is established from one user to the other such that the users have exclusive and full use of the circuit until the connection is released." *Id.* at 1345 n.2 (citing HARRY NEWTON, NEWTON'S TELECOM DICTIONARY 190-91 (5th ed. 1992)). "In contrast, a 'packet-switched network,' such as the Internet, is one in which data packets are relayed through various stations on a network. The packets comprising a message may travel along different paths and arrive at different times, but are reassembled in proper sequence at their destination." *Id.* (citing MICROSOFT PRESS COMPUTER DICTIONARY 253 (1991)).

25. *Id.* at 1344-45.

26. *Id.* at 1351-54 (construing the terms "headers," "multiplexing," "hands-free speaker phone," "full-duplex speaker phone," and "digitizing"). The Federal Circuit

After Multi-Tech conceded that Microsoft and Net2Phone did not infringe literally or through equivalents under the district court's claim constructions, the district court entered final judgments in the two cases.²⁷ Multi-Tech then appealed both cases to the United States Court of Appeals for the Federal Circuit.²⁸ By a 2-1 decision, the Federal Circuit affirmed the district court's claim construction and final judgments against Multi-Tech. The Federal Circuit held that "the asserted claims of the '649, '627, and '532 patents [were] limited to communications over a telephone line and . . . exclude[ed] communications over a packet-switched network such as the Internet."²⁹

III. LEGAL BACKGROUND

A. Claim Construction Generally

Claims "are the most important part of the modern patent document."³⁰ As "the essence of the legal right granted by a patent," claims are "the portion of the patent document that defines the patentee's rights."³¹ In modern American claiming practice, known as peripheral claiming, the claims define the boundaries of the patented invention.³² Thus, "[p]atent claim language defines the scope of the [patentee's] invention."³³ Claiming technique is regulated by the United States Patent and Trademark Office, which mandates that

did spend considerable time revising these peripheral claim constructions made by the district court, but only for purposes of judicial efficiency and future litigation. *Id.* at 1350-51.

27. *Id.* at 1345.

28. *Id.* Multi-Tech appealed the Microsoft judgment with respect to the construction of the '649, '627, and '532 patents and appealed the Net2Phone judgment with respect to the '649 and '627 patents. *Id.*

29. *Id.* at 1354.

30. ROBERT PATRICK MERGES & JOHN FITZGERALD DUFFY, *PATENT LAW AND POLICY: CASES AND MATERIALS* 25 (3d ed. 2002).

31. *Id.* (quoting *Markman v. Westview Instruments, Inc.* 517 U.S. 370, 372 (1996)). Claims are analogous to the "'metes and bounds' of a real property deed." *Id.* Claim drafting is an art which patent attorneys attempt to master in trying to obtain an intellectual property right as broad as the United States Patent and Trademark Office will allow for their clients' inventions. *Id.* at 26.

32. HERBERT F. SCHWARTZ, *PATENT LAW AND PRACTICE* § 5.I, at 112 (4th ed. 2003); see also ADELMAN ET AL., *supra* note 6, at 526. Peripheral patent claiming, prevalent since 1900 in the U.S., is distinct from the prior method of central claiming, under which patents frequently had one or two claims. See ANTHONY W. DELLER, *PATENT CLAIMS* §§ 5-11, at 12-20 (2d ed. 1971); RIDSDALE ELLIS, *PATENT CLAIMS* §§ 4-9, at 4-9 (1949).

33. *Rambus Inc. v. Infineon Technologies AG*, 318 F.3d 1081, 1088 (Fed. Cir. 2003) (citing references omitted).

claims consist of a single English sentence.³⁴ A claim is a statutorily required³⁵ component of the patent's specification, or written description of the invention.³⁶

Claim construction³⁷ is the first step³⁸ in the two-step patent infringement analysis.³⁹ In the seminal *Markman v. Westview Instruments, Inc.*,⁴⁰ the U.S. Supreme Court held that judges, not juries, should be charged with the responsibility of claim construction, as a question of law, reviewable under a de novo standard on appeal.⁴¹ This holding was based largely on a recognized need for "certainty and predictability" in claim construction.⁴² Claim construction has been described as giving meaning to the language of the claims,⁴³ as determining the scope of the claims,⁴⁴ and as determining both the meaning and scope of the claims.⁴⁵

34. MERGES & DUFFY, *supra* note 30, at 29. The "one-sentence rule" was upheld in *Fressola v. Manbeck*, 36 U.S.P.Q.2d 1211 (D. D.C. 1995).

35. See 35 U.S.C. § 112 (2000).

36. The requirements of a specification, as mandated by the U.S. Patent and Trademark Office (USPTO), are:

1. title;
2. cross-reference to related applications;
3. statement regarding government rights;
4. background: (a) field of the invention, and (b) description of related art;
5. summary of the invention;
6. brief description of the drawings;
7. detailed description of the invention, including the best mode (or description of the preferred embodiment);
8. claims; and
9. abstract of the disclosure.

SCHWARTZ, *supra* note 32, § 2.III.B.1, at 14 (citing 37 C.F.R. § 1.77 (2002); PATENT AND TRADEMARK OFFICE, U.S. DEP'T OF COMMERCE, MANUAL OF PATENT EXAMINING PROCEDURE § 601 (8th ed. 2001, rev. 2003)).

37. Courts often use the terms "claim construction" and "claim interpretation" interchangeably. ADELMAN ET AL., *supra* note 6, at 747 n.2; see generally *Markman v. Westview Instruments, Inc.*, 517 U.S. 370 (1996).

38. *Amgen, Inc. v. Hoechst Marion Roussel, Inc.*, 314 F.3d 1313, 1324 (Fed. Cir. 2003).

39. *Lockheed Martin Corp. v. Space Systems/Loral, Inc.*, 324 F.3d 1308, 1318 (Fed. Cir. 2003) (discussing the two-step process of infringement determination).

40. 517 U.S. 370 (1996).

41. *Id.* at 388 (concluding that judges, not juries, "are . . . better suited to find the acquired meaning of patent terms").

42. Bender, *supra* note 11, at 198.

43. See, e.g., *Augustine Med., Inc. v. Gaymar Indus., Inc.*, 181 F.3d 1291, 1297 (Fed. Cir. 1999); *Spectrum Int'l v. Sterilite Corp.*, 164 F.3d 1372, 1378 (Fed. Cir. 1998).

44. See, e.g., *Interactive Gift Express, Inc. v. CompuServe, Inc.*, 231 F.3d 859, 864 (Fed. Cir. 2000), *superseded in part on rehearing by* 256 F.3d 1323 (Fed. Cir. 2001); *Zodiac Pool Care v. Hoffinger Indus., Inc.*, 206 F.3d 1408, 1413 (Fed. Cir. 2000).

Although the procedural issues associated with claim construction have been left largely to trial courts' discretion, many courts conduct *Markman* Hearings where parties dispute issues of claim construction and the court typically issues a *Markman* Order construing the patent claims at issue.⁴⁶ Only the claim language that is in dispute needs to be construed.⁴⁷ Claim construction is often dispositive in infringement analysis⁴⁸ as parties may stipulate to non-infringement, given the court's claim construction, in order to allow the court to render an appealable final judgment.⁴⁹ Appeal is an attractive option, because the Federal Circuit alters the district court's claim construction roughly 40 percent of the time.⁵⁰ Commentators question whether this is the type of "certainty or predictability" the Supreme Court and Federal Circuit had intended to result from the *Markman* opinions.⁵¹

"Claim construction 'begins and ends' with the actual words of the claims,"⁵² but the actual words are only part of the construction analysis. After first looking to the claim language itself, the court will determine if the language is unambiguous and clear on its face.⁵³ If it is, then the court need not consider any other intrinsic evidence.⁵⁴ But, when a claim term can have more than one common meaning or the applicability of the common meaning is unclear, then the court may refer to other intrinsic evidence, including the specification and prosecution history.⁵⁵ The court must examine the written description and drawings to determine whether the use of a term is consistent

2000); *SRI Int'l v. Matsushita Elec. Corp. of Am.*, 775 F.2d 1107, 1121 (Fed. Cir. 1985) (noting that claim language defines the scope of a claim).

45. *See, e.g.*, *IMS Techs., Inc. v. Haas Automation, Inc.*, 206 F.3d 1422, 1429 (Fed. Cir. 2000); *Kemco Sales, Inc. v. Control Papers Co.*, 208 F.3d 1352, 1359 (Fed. Cir. 2000).

46. *Bender*, *supra* note 11, at 201-02.

47. *Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999); *Elkay Mfg. Co. v. Ebco Mfg. Co.*, 192 F.3d 973, 977 n.1 (Fed. Cir. 1999).

48. *See, e.g.*, *Hockerson-Halberstadt, Inc. v. Avia Group Int'l, Inc.*, 222 F.3d 951, 952 (Fed. Cir. 2000); *Johnson Worldwide Assocs., Inc. v. Zebco Corp.*, 175 F.3d 985, 988-89 (Fed. Cir. 1999); *Wang Labs., Inc. v. AOL*, 197 F.3d 1377, 1381 (Fed. Cir. 1999).

49. Indeed, this is precisely what the parties did in the instant case. *See supra* note 27 and accompanying text.

50. *Bender*, *supra* note 11, at 207.

51. *Id.* at 208-09.

52. *Schwartz*, *supra* note 32, § 5.I, at 114-15 (quoting *Renishaw PLC v. Marposs Societa' per Azioni*, 158 F.3d 1243, 1248 (Fed. Cir. 1998)).

53. *Karlin Tech., Inc. v. Surgical Dynamics, Inc.*, 177 F.3d 968, 971 (Fed. Cir. 1999); *Desper Prods., Inc. v. QSound Labs, Inc.*, 157 F.3d 1325, 1333 (Fed. Cir. 1998) (examining first the claim language).

54. *Smiths Indus. Med. Sys., Inc. v. Vital Signs, Inc.*, 183 F.3d 1347, 1357 (Fed. Cir. 1999).

55. *Bender*, *supra* note 11, at 211-12.

with its ordinary meaning.⁵⁶ Courts are to interpret the claims “in light of the specification of which they are a part,”⁵⁷ and correspondingly determine “whether the patentee has disclaimed subject matter or has otherwise limited the scope of the claims,”⁵⁸ but courts are not to read limitations into the claims from the written description.⁵⁹ There is a “fine line between reading a claim in light of the specification, and reading a limitation into the claim from the specification.”⁶⁰ By consulting the intrinsic evidence first, courts allow the applicant to “act as his own lexicographer and use the specification to implicitly or explicitly supply new meanings for terms.”⁶¹

Prosecution history is the other main source of intrinsic evidence used by the court to construe a patent's claims. During prosecution of a patent, the patent examiner will issue an office action and often reject certain claims which read on the “prior art.”⁶² Such rejections must be made in order to enforce the statutory requirement that the claimed invention be novel.⁶³ The applicant will often amend claims to overcome such rejections.⁶⁴ Under the case law, it is clear that amendments made to avoid prior art will give rise to “file wrapper estoppel,” also known as “prosecution history estoppel.”⁶⁵ This doctrine prevents the court from construing a claim in a manner that would allow the inventor to regain claim scope that she had surrendered or limited during prosecution.⁶⁶ Although the U.S. Supreme Court only recently held, in its landmark 2002 *Festo* decision, that *any* amendments “made to satisfy any requirement of the Patent Act may give rise to an estoppel,”⁶⁷ it has long been recognized that amendments made to avoid prior art references give rise

56. *Prima Tek II*, L.L.C. v. Polypap, S.A.R.L., 318 F.3d 1143, 1148 (Fed. Cir. 2003).

57. *Amgen, Inc. v. Hoechst Marion Roussel, Inc.*, 314 F.3d 1313, 1325 (Fed. Cir. 2003).

58. *Prima Tek II*, 318 F.3d at 1148; *see also* *SciMed Life Sys., Inc. v. Advanced Cardiovascular Sys., Inc.*, 242 F.3d 1337, 1344 (Fed. Cir. 2001).

59. *Prima Tek II*, 318 F.3d at 1151.

60. *Comark Communications, Inc. v. Harris Corp.*, 156 F.3d 1182, 1186 (Fed. Cir. 1998).

61. *Invitrogen Corp. v. Biocrest Mfg., L.P.*, 327 F.3d 1364, 1367 (Fed. Cir. 2003).

62. SCHWARTZ, *supra* note 32, §§ 2.III.D.2, 4 I.C.

63. *Id.* § 4.I.C.

64. *Id.* § 2 III.D.3.

65. 5A DONALD S. CHISUM, CHISUM ON PATENTS § 18.05, at 18-789 (rev. 2003).

66. *Id.* at 18-786.

67. *Id.* §18.05[2][b][ii], at 18-842 (quoting *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 736 (2002)). The Supreme Court, in *Warner-Jenkinson*, had left open the question of what types of amendments can give rise to an estoppel. *Id.* (citing *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17 (1997)).

to an estoppel.⁶⁸ Basically, that which an inventor gives up during prosecution to avoid reading on the prior art, he cannot later reclaim during claim construction.⁶⁹ But, courts require that an applicant “clearly and unambiguously express any such surrender” of claim scope before they will hold that the applicant actually disclaimed claim scope.⁷⁰

Finally, after looking at the plain language of the claim, read in light of the written description, drawings, embodiments, and prosecution history, a court may look to extrinsic evidence⁷¹ to construe claim language.⁷² But, extrinsic evidence may never be relied on to contradict the clear meaning of terms in the claims.⁷³ If resort to the specification and prosecution history alone will resolve ambiguity in a disputed claim term, then it is improper to rely on extrinsic evidence.⁷⁴ Rarely, intrinsic evidence is insufficient to interpret particular claim language and a court must rely on extrinsic evidence.⁷⁵

B. Claim Construction Involving Related Applications

Various procedural mechanisms exist through which inventors may file later related applications based on an original parent application.⁷⁶ Intuitively, the prosecution history of a parent application may limit the scope of a later application containing the same claim term.⁷⁷ The prosecution history regarding a claim limitation in an issued parent application applies with equal force

68. *Id.* §18.05[3][a][iv], at 18-915. *See, e.g.,* N.Y. Scaffolding Co. v. Whitney, 224 F. 452 (8th Cir. 1915).

69. *Pall Corp. v. PTI Techs. Inc.*, 259 F.3d 1383, 1392 (Fed. Cir. 2001) (“[I]t is well-established that ‘[t]he prosecution history limits the interpretation of claim terms so as to exclude any interpretation that was disclaimed during prosecution.’”) (quoting *Southwall Techs., Inc. v. Cardinal IG Co.*, 54 F.3d 1570, 1576 (Fed. Cir. 1995)) (alteration in original), *vacated by* 535 U.S. 1109 (2002); *see also* *Ekchian v. Home Depot, Inc.*, 104 F.3d 1299, 1304 (Fed. Cir. 1997) (“[B]y distinguishing the claimed invention over the prior art, an applicant is indicating what the claims do not cover, he is by implication surrendering such protection.”).

70. *Invitrogen Corp. v. Biocrest Mfg., L.P.*, 327 F.3d 1364, 1367 (Fed. Cir. 2003).

71. Extrinsic evidence includes things such as expert testimony as to how the disputed claim terms would be defined in industry by ordinary persons skilled in the art.

72. *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1583 (Fed. Cir. 1996).

73. *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 981 (Fed. Cir. 1995), *aff’d*, 517 U.S. 370 (1996).

74. *Vitronics*, 90 F.3d at 1582.

75. SCHWARTZ, *supra* note 32, § 5.I.A.3.c, at 127 (citing *Vitronics*, 90 F.3d at 1585).

76. These include “continuations,” “continuations-in-part,” and “divisional” applications. 5A CHISUM, *supra* note 65, § 18.05[2][d][ii], at 18-891.

77. *Augustine Med., Inc. v. Gaymar Indus., Inc.*, 181 F.3d 1291, 1300-01 (Fed. Cir. 1999).

to subsequently issued patents derived from the parent that contain the same claim limitation.⁷⁸ Even absent an actual claim limitation, arguments made concerning common subject matter in a parent application to distinguish a prior art reference can be used to limit claim scope in a child application.⁷⁹ A broad range of conduct can give rise to an estoppel, including "representations made during the prosecution of the parent application."⁸⁰ In *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*,⁸¹ the Federal Circuit confirmed that arguments made voluntarily without amendment can create an estoppel if they evidence surrender of subject matter.⁸²

Prosecution history of one sibling application can be used to interpret claim terms in another sibling application derived from a common parent. In *Jonsson v. Stanley Works*,⁸³ two related patents had issued from continuation-in-part applications derived from a common parent application.⁸⁴ The Federal Circuit held that the prosecution history of a claim limitation in the first patent issued was properly applied to the same claim limitation in the second patent to issue.⁸⁵

"Estoppel may arise whether the change [to the claim is achieved] by amendment . . . or by refiling [of the application] with changed claims."⁸⁶ In *Mark I Marketing Corp. v. R.R. Donnelley & Sons Co.*,⁸⁷ the Federal Circuit stated that the relevant prosecution history included, "not only the . . . application [upon which the patent issued] but also the parent . . . and grandparent . . . applications."⁸⁸ In *Mark I Marketing*, the applicant had filed two successive continuation-in-part applications in response to rejections made by the examiner based on prior art references.⁸⁹ The continuations' new claims were narrower than those in the parent application so as to avoid the prior art refer-

78. *Elkay Mfg. Co. v. Ebco Mfg. Co.*, 192 F.3d 973, 980 (Fed. Cir. 1999) ("When multiple patents derive from the same initial application, the prosecution history regarding a claim limitation in any patent that has issued applies with equal force to subsequently issued patents that contain the same claim limitation.").

79. *Wang Labs., Inc. v. AOL, Inc.*, 197 F.3d 1377, 1384 (Fed. Cir. 1999) (a patentee argued that a statement it made during prosecution distinguishing a prior art reference "was in the parent application and does not apply to the continuation-in-part that is the . . . patent. However, this subject matter is common to the continuation-in-part application, and argument concerning the . . . reference was correctly viewed as applying to the common subject matter.").

80. *Haynes Int'l, Inc. v. Jessop Steel Co.*, 8 F.3d 1573, 1579 (Fed. Cir. 1993).

81. 234 F.3d 558 (Fed. Cir. 2000), *rev'd on other grounds*, 535 U.S. 722 (2002).

82. *Id.* at 568.

83. 903 F.2d 812 (Fed. Cir. 1990).

84. *Id.* at 814.

85. *Id.* at 821.

86. *Pall Corp. v. Micron Separations, Inc.*, 66 F.3d 1211, 1219 (Fed. Cir. 1995).

87. 66 F.3d 285 (Fed. Cir. 1995).

88. *Id.* at 291.

89. *Id.* at 291-92.

ences.⁹⁰ The Federal Circuit held that an estoppel could not be avoided merely by filing continuations and that, viewing the prosecution history as a whole, it was clear that the applicant had surrendered the broad scope of the claims in the parent application in order to obtain an allowance of the claims in the later applications.⁹¹

In *Al-Site Corp. v. VSI International, Inc.*,⁹² the Federal Circuit held that a claim limitation amendment in a parent application did not apply to three subsequent related patents that did not contain the specific limitation and had their own distinct limitations to avoid prior art.⁹³ The later applications did not require the limitation from the parent in order to avoid prior art.⁹⁴ Rather, the applications contained specific limitations that independently allowed them to be patentable.⁹⁵

It seems clear from the case law that estoppels can operate “downstream”; that is, narrowing amendments in prior applications can limit subsequent related applications, at least where those amendments were made to avoid prior art. In light of this, patent scholar Donald Chisum had raised the issue of whether estoppels should operate “upstream” in the same way they operate downstream.⁹⁶ Though no case had definitively answered this question prior to the instant case, courts have discouraged the notion of upstream estoppel.⁹⁷ In *Epic Metals Corp. v. Consolidated Systems*,⁹⁸ a district court suggested that upstream use of subsequent related applications would amount to use of “extrinsic evidence,” and could impede competitors’ ability to rely on the patent file.⁹⁹ However, in *Georgia-Pacific Corp. v. United States Gypsum Co.*,¹⁰⁰ the Federal Circuit held that a patentee could be bound by a statement made to the PTO during prosecution of a subsequent related application, provided that the examiner *relied* on this statement in allowing the claims in the earlier patent.¹⁰¹ Arguably, this holding, requiring reliance by the examiner, *should* have foreclosed the court’s ability to impose upstream estoppel in the instant case, *Microsoft Corp. v. Multi-Tech Systems, Inc.*

90. *Id.*

91. *Id.* at 292.

92. 174 F.3d 1308 (Fed. Cir. 1999).

93. *Id.* at 1322-23.

94. *Id.*

95. *Id.*

96. 5A CHISUM, *supra* note 65, §18.05[2][d][ii], at 18-891.

97. *See id.* §18.05[2][d][iii], at 18-891 n.231.

98. 19 F. Supp. 2d 1296 (M.D. Fla. 1998).

99. *Id.* at 1303.

100. 195 F.3d 1322 (Fed. Cir. 1999).

101. *Id.* at 1333.

IV. INSTANT DECISION

A. The Majority

In *Microsoft Corp. v. Multi-Tech Systems, Inc.*,¹⁰² the Federal Circuit held that the scope of the Multi-Tech patents was limited to simultaneous data-voice transmission over telephone lines, a circuit-switched network, and did not include transmission over the Internet, a packet-switched network.¹⁰³ The claim construction of three related¹⁰⁴ patents was at issue on appeal: the '649 patent, the '627 patent, and the '532 patent.¹⁰⁵ "The '532 patent claims the transmission [and reception] of packetized voice and video data."¹⁰⁶ "The '649 patent claims the transmission [and reception] of packetized voice and computer data."¹⁰⁷ "[T]he '627 patent claims only the transmission [and reception] of packetized voice data."¹⁰⁸ The majority relied on statements made during the prosecution of the '627 patent to limit the scope of claims in the already issued '649 patent.¹⁰⁹ The relevant claim language of the '649 patent recites a method for simultaneous transmission of voice and computer data, with no limitation on the medium over which the data is transferred.¹¹⁰ During the prosecution of the '627 patent, the examiner rejected all of the pending '627 claims as "obvious" over the "Lewen" patent, in light of the "Arbel" patent.¹¹¹ The "Lewen" patent covered simultaneous transmission of voice, data, and image information, but only across a Local Area Network.¹¹² Multi-

102. 357 F.3d 1340 (Fed. Cir. 2004).

103. *Id.* at 1354.

104. The term "related" means that the patents all derived from the same parent application (the '289 patent, in this case) and, as such, share a common specification. *See id.* at 1347-48 & 1348 n.4.

105. *Id.* at 1345.

106. *Id.* at 1357 (Rader, J., dissenting).

107. *Id.* (Rader, J., dissenting).

108. *Id.* (Rader, J., dissenting).

109. *Id.* at 1349.

110. *Id.* at 1342. The language from claim 1 of the '649 patent at issue in this case was:

placing headers on each of the compressed outgoing digital voice packets; placing headers on each of the computer digital data packets; multiplexing the compressed outgoing digital voice data packets with outgoing computer digital data packets to produce an outgoing packet stream; transmitting the outgoing packet stream; receiving multiplexed incoming data which contains incoming computer digital data packets multiplexed with the compressed incoming digital voice data packets; and demultiplexing the incoming computer digital voice data packets.

Id. at 1343 (quoting U.S. Patent No. 5,600,649, col. 47, ll. 5-25 (issued Feb. 4, 1997)).

111. *Id.* at 1344. Under 35 U.S.C. § 103(a) (2000), inventions must be non-obvious in light of the prior art in order to be patentable.

112. *Microsoft*, 357 F.3d at 1344.

Tech argued that its voice packets proceeded directly through the telephone line and described its specification as disclosing a system which operates over a standard telephone line.¹¹³ Eventually, Multi-Tech amended its claims in the '627 patent to require a modem.¹¹⁴

The United States Court of Appeals for the Federal Circuit upheld the claim construction of the district court in limiting the scope of the earlier, already issued '649 patent based on Multi-Tech's statements during prosecution of the '627 patent.¹¹⁵ The court noted that it had previously "held that the prosecution history of one patent is relevant to an understanding of the scope of a common term in a second patent stemming from the same parent application."¹¹⁶ Thus, the court held that the prosecution history of the '627 patent was relevant to an understanding of the description of the "communications system" disclosed in the common specification, which could then be used to aid interpretation of the claims of the '532 and '649 patents.¹¹⁷ The court first held that the statements from the '627 patent's prosecution history apply to the later issued '532 patent, a holding which required no further explanation.¹¹⁸ But, the majority then extended beyond precedent in holding that, "it [was] not unsound to apply the same interpretation to [the *already issued* '649] patent."¹¹⁹

The majority attempted to distinguish its holding in *Georgia-Pacific Corp. v. United States Gypsum Co.*,¹²⁰ which seemed to demand a contrary result.¹²¹ In *Georgia-Pacific*, the Federal Circuit held that for a patentee "to be bound by the statement made to the PTO in connection with a later prosecution of a different patent, the statement would have to be one that the examiner relied upon in allowing the claims in the patent at issue."¹²² In the case at hand, the examiner clearly could not have relied on the statements made by Multi-Tech during prosecution of the '627 patent in allowing the claims of the '649 patent because the claims in the '649 patent had already been allowed before any of the '627 patent statements were ever made.¹²³ The majority distinguished *Georgia-Pacific* by arguing that it only required that the patentee not be *bound* by statements made during prosecution of the later

113. *Id.* at 1346.

114. *Id.* at 1344.

115. *Id.* at 1350-51.

116. *Id.* at 1349 (citing *Laitram Corp. v. Morehouse Indus., Inc.*, 143 F.3d 1456, 1460 n.2 (Fed. Cir. 1998); *Jonsson v. Stanley Works*, 903 F.2d 812, 818 (Fed. Cir. 1990).

117. *Id.* at 1349-50.

118. *Id.* at 1350.

119. *Id.*

120. 195 F.3d 1322 (Fed. Cir. 1999).

121. *Microsoft*, 357 F.3d at 1350.

122. *Georgia-Pacific*, 195 F.3d at 1333.

123. *See Microsoft*, 357 F.3d at 1350.

patent.¹²⁴ Rather, the majority held that the statements were merely *relevant* to claim interpretation of the already issued patent.¹²⁵ And, as a result, the majority affirmed the construction of the district court which limited the '649 patent to transmission over and through a standard telephone line with a modem and excluded transmission over the internet.¹²⁶

B. Rader's Dissent

Judge Rader, in dissent, characterized the logic of the majority opinion as "Evel Knievel jumping the Snake River Gorge."¹²⁷ According to Rader, the majority "manufacture[d] an unreasonable limitation" in holding that "over" and "through" a telephone line excludes transmission over the internet and then improperly imported the limitation into the claims of the '649 patent.¹²⁸ Rader also took issue with the majority's finding of a "clear and unambiguous disclaimer" of claim scope.¹²⁹ The examiner did not interpret Multi-Tech's statements as limiting the claims to transmission over a mere telephone connection because he renewed a rejection of the claims.¹³⁰ That is, the examiner felt that the '627 patent application's claims still read on the prior art.¹³¹ Ultimately, as Rader noted, Multi-Tech obtained an allowance after adding the limitation of a modem.¹³² The discussion during prosecution of the '627 application centered around the end-points of the communication system rather than the medium of transmission.¹³³ Thus, in Rader's opinion, Multi-Tech only unambiguously disclaimed transmission over a LAN, a system which does not connect modems at each end point.¹³⁴ And, as Rader pointed out, at the time of this prosecution, modems using telephone lines were the most common way to connect to the internet.¹³⁵

Next, Rader argued that the '649 patent should not be construed so narrowly because the limitations made in the '627 patent were needed to avoid

124. *Id.*

125. *Id.*

126. *Id.* at 1350-51. Later in the opinion, the court slightly altered the district court's claim construction with respect to other claim terms at issue. *Id.* at 1351-54. These constructions were only relevant to future litigation and were not dispositive on the current matter. *Id.* at 1351.

127. *Id.* at 1355 (Rader, J., dissenting).

128. *Id.* (Rader, J., dissenting).

129. *Id.* (Rader, J., dissenting).

130. *Id.* (Rader, J., dissenting).

131. *Id.* at 1355-57 (Rader, J., dissenting). The "Lewen" patent precluded the '627 patent from including transmission over a LAN. *Id.* (Rader, J., dissenting).

132. *Id.* at 1356 (Rader, J., dissenting).

133. *Id.* at 1355 (Rader, J., dissenting).

134. *Id.* at 1356 (Rader, J., dissenting).

135. *Id.* (Rader, J., dissenting).

prior art that preceded the '627 patent but came after the '649 patent.¹³⁶ He also offered a convincing illustration to prove the illogic in the majority's importation of the claim limitation.¹³⁷ Finally, Rader criticized the majority for "essentially disregard[ing] the holding of *Georgia-Pacific*," because the examiner could not have possibly relied on then non-existent claim-limiting statements when allowing the claims of the earlier '649 patent.¹³⁸

V. COMMENT

As Judge Rader's dissent correctly argues, it defies logic to limit an already issued patent based upon statements made during prosecution of a subsequent, related patent whose application was amended to avoid prior art that was not, in fact, "prior" to the already issued patent. A basic tenet of patentability is that an invention must be new, or novel, in light of existing technology, or prior art.¹³⁹ If there is no applicable prior art requiring an inventor to narrow her claims, then the inventor should be entitled to claim the full scope of her invention. A narrowing of a later patent performed to avoid prior art should be limited in application to only that later patent's claims.

The majority adopted a view which, in its opinion, was "not unsound" rather than taking a view which was sound in light of past case law.¹⁴⁰ The majority exceeded the bounds of "interpretation" and proceeded to limit the claims of the '649 patent through the common specification which had been further defined during prosecution of the *later* '627 patent. This further definition and narrowing of the '627 patent was required in order to avoid art that was prior only to the '627 patent, but *not* prior to the '649 patent. The public notice function of the patent system is defeated when an inventor is expected

136. *Id.* at 1357 (Rader, J., dissenting).

137. *Id.* (Rader, J., dissenting) ("By way of illustration, assume three patents (A, B, and C) share a common specification directed to a method for hanging a picture. Patent A claims an attaching step and a leveling step. Patent B claims an attaching step and a centering step. Patent C claims only the attaching step. The prior art contains a reference to attaching pictures using nails. Because they contain limitations beyond attaching, patents A and B issue without rejection. Patent C, however, is rejected in light of the prior art. To distinguish the prior art, the applicant clarifies the attaching step is limited to using Velcro, not nails. Under what logic would a court limit the claims in Patents A and B to Velcro based on the later and inapplicable prosecution history of Patent C? That, however, is exactly what the majority does in this case.").

138. *Id.* (Rader, J., dissenting). "The '649 patent issued before the prosecution history of the '627 patent," so it is impossible for the examiner to have relied on statements made during prosecution of the '627 patent when allowing the claims of the '649 patent. *Id.* (Rader, J., dissenting).

139. See 35 U.S.C. § 102 (2000 & Supp. 2002).

140. *Microsoft*, 357 F.3d at 1350 ("[E]ven though the '649 patent had already issued, we think that it is not unsound to apply the same interpretation to that patent.").

to foresee later amendments or clarifications that will be required by later art that does not yet exist.

Certainly, it is logical to interpret *later* patents in light of their parent patent. It would be improper to construe the terms in the child patent differently than those in the parent application because the child was derived from the parent. The Federal Circuit applied this logic in *Mark I Marketing Corp. v. R.R. Donnelley & Sons Co.*¹⁴¹ when it held that a narrowing of claim scope in a parent application applied to a continuation-in-part application with new claims.¹⁴² It also seems logical to generally conclude that a sibling application is "relevant" to an understanding of another sibling application.¹⁴³ But, it is illogical to cross the "fine line"¹⁴⁴ of using a later sibling patent as a relevant aid in interpreting an *already issued* sibling patent and to read unnecessary¹⁴⁵ limitations contained in the later sibling into the already issued sibling. In this case, there was little difference between using the statements made during the prosecution of the '627 patent as merely *relevant* interpretive aids and using them to limit Multi-Tech to patent rights covering only transmission over a telephone line to the exclusion of the internet.

The court had applied this same reasoning in *Al-Site Corp. v. VSI International, Inc.*¹⁴⁶ when it held that a specific limitation contained in a related application should not be read into related patents which did not need the limitation in order to be patentable.¹⁴⁷ Like the instant case, the '649 patent did not need to be limited to transmission over and through a telephone line in order to be patentable. But, the '627 patent did need to be limited because of the intervening prior art covering transmission over a LAN. Therefore, the telephone line limitation was improperly read into the '649 patent, which did not require such a limitation in order to be patentable.

Lastly, Rader's view provides the most common sense answer under the facts of this case. At the time the '649 patent was drafted and prosecuted, the most common way to connect to the internet was by using a modem over a standard telephone line. It was entirely plausible to argue that the relevant language did not exclude transmission over the internet because, presumably, transmission over a phone line would include transmission over the internet if the phone line was used to connect to the internet.

141. 66 F.3d 285 (Fed. Cir. 1995).

142. *Id.* For a discussion of *Mark I Marketing*, see 5A CHISUM, *supra* note 65, §18.05[2][d][ii], at 18-895 to -896.

143. *Microsoft*, 357 F.3d at 1349 (finding that the statements made during prosecution of the '627 patent are relevant to an understanding of the sibling '649 and '532 patents).

144. See *supra* note 60 and accompanying text.

145. That is, limitations that are not necessary for the earlier patent to avoid prior art and thus be valid.

146. 174 F.3d 1308 (Fed. Cir. 1999).

147. *Id.* at 1322-23. For a discussion of *Al-Site Corp.*, see 5A CHISUM, *supra* note 65, §18.05[2][d][ii], at 18-896 to -897.

VI. CONCLUSION

Due to the recent explosion of patent litigation and the new attitude corporations have toward patents, claim construction issues have become and will continue to be a critical issue in patent law.¹⁴⁸ Many sources are relevant as interpretive aids when district courts seek to perform the preliminary task of claim construction in an infringement or declaratory judgment action. Among the primary aids used by courts, prosecution history provides vital insight into determining whether inventors have surrendered claim scope during prosecution. Even the prosecution history of all related applications sharing a common specification provides relevant insight during this inquiry. But it is a dangerous practice to limit claim scope of an already issued patent by relying on limitations added to a later sibling patent. Failure to exercise caution when relying on related patents' prosecution history as intrinsic evidence during claim construction may result in a patent owner losing claim scope which he never surrendered during the prosecution process.

JASON R. MUDD

148. Bender, *supra* note 11, at 190-92 ("Increasingly, companies are using patents to protect their market share, drive competitors out of business and boost bottom lines through lucrative judgments and licensing fees.").